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2	Diane C. Stanfield (State Bar No. 106366)				
3	Leib M. Lerner (State Bar No. 227323) ALSTON & BIRD LLP				
4	333 South Hope Street, Sixteenth Floor Los Angeles, CA 90071				
5	Telephone: (213) 576-1000 Facsimile: (213) 576-1100				
6	diane.stanfield@alston.com leib.lerner@alston.com				
7	7 Attorneys for Creditor Navigant Cymetrix Corporation				
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9					
10	UNITED STATES BANKRUPTCY COURT				
11	EASTERN DISTRICT OF CALIFORNIA				
12	FRESNO DIVISION				
13	In re	Case No.: 17-13797			
14	TULARE LOCAL HEALTHCARE DISTRICT,	DC No.: AB-1			
15	Debtor.	Chapter 9			
16	Deotor.	DECLARATION OF JAMES MAPES IN			
17		SUPPORT OF MOTION OF NAVIGANT CYMETRIX CORPORATION FOR			
18		RELIEF FROM THE AUTOMATIC STAY OR, ALTERNATIVELY, REQUIRING			
19		DEBTOR TO ASSUME OR REJECT EXECUTORY CONTRACT; REQUEST			
20		FOR ADEQUATE PROTECTION PAYMENTS AND PAYMENT OF			
21		ADMINISTRATIVE CLAIM			
22		Date: November 1,2017 Time: 9:30 a.m.			
23		Place: 2500 Tulare Street Fresno, CA 93721			
24		Courtroom 13 Judge: Honorable René Lastreto II			
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DECLARATION OF JAMES MAPES

DECLARATION OF JAMES MAPES

I, James Mapes, declare:

- 1. I am a Managing Director/Global for Creditor Navigant Cymetrix Corporation ("Cymetrix.") Except where stated on information and belief I know the following of my personal knowledge, and could and would testify competently thereto.
- 2. Cymetrix and debtor Tulare Local Healthcare District ("Debtor" or "Hospital") are parties to a Master Services Agreement dated November 26, 2014 (along with the applicable Statement of Work #1, as amended, the "Agreement"). Cymetrix has been providing services to the Hospital in accordance with and subject to the provisions of the Agreement since on or about November 26, 2014. True and correct copies of the Agreement, Statement of Work #1 and the amendments thereto (redacted for confidential business information of Cymetrix) are **Exhibits A-E**, respectively, filed concurrently herewith.
- 3. The services provided by Cymetrix pursuant to the Agreement (the "Services") are set forth in the Statement of Work #1 as amended from time to time (the "SOW). See **Exhibit B** at pp. 1-5. To summarize, the Hospital has outsourced to Cymetrix a number of the administrative tasks associated with the Hospital's revenue cycle functions.
- 4. Cymetrix employs approximately fifty full time equivalent employees, including management and global support, to perform the Services. Cymetrix has also contracted with third-party vendors on behalf of the Hospital, which Cymetrix pays directly.
- 5. Cymetrix bills the Hospital a monthly fee (based on collections and other metrics as set forth in schedules to the Agreement; the exact billing terms have been redacted to protect confidentiality of Cymetrix' pricing). Cymetrix continues to incur significant payroll, benefits and related costs with each passing day those Services are performed, along with the out-of-pocket costs of the third party vendors.
- 6. Cymetrix's fees have not been paid for over a year, and as of September 30, 2017, there was an outstanding balance of approximately \$2,200,000.00.

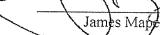
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7.	The SOW	provides for early termination by Cymetrix "in the event [Hospital] fails to
make any	payment when	due and thereafter fails to cure such default within forty five (45) days of
receipt of	written notice t	hereof."

- Accordingly, by letter dated August 7, 2017 (the "Default Letter") (sent by electronic 8. mail on August 21, 2017), Cymetrix gave notice of the Hospital's default under the Agreement based on its failure to pay invoices as detailed in the Default Letter totaling \$1,738,537.35. I was involved in preparing the Default Letter, I reviewed it before it was sent, and I was a recipient of copy of the Default Letter. A true and correct copy of Cymetrix's Default Letter is Exhibit F. filed concurrently herewith.
- The Default Letter states at page 2 that Cymetrix "is hereby giving [Hospital] notice 9. of its intent to terminate the Agreement if such default is not cured by [Hospital] within forty-five (45) days of receipt of this notice."
- By letter sent by electronic mail on September 21, 2017 (the "Termination Notice"), 10. Cymetrix notified the Hospital that "if your account is not made current for all outstanding invoiced amounts by midnight on October 5, 2017, Navigant Cymetrix will suspend performance of its services to Tulare effective October 9, 2017." A true and correct copy of Cymetrix's Termination Notice, which I signed, is Exhibit G, filed concurrently herewith.
- 11. No payments have been made on the account since the Default Letter or the Termination Notice.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 11th day of October, 2017, at Lewisville, Texas.



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